

BEFORE THE STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

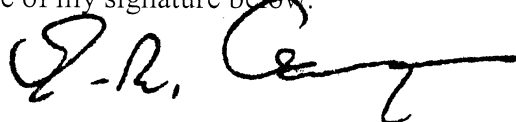
In the Matter of:)	
)	
Reciprocal of America)	Order of Suspension
)	of Certificate of Authority
4200 Innslake Drive)	
Glen Allen, Virginia 23261-5058.)	
_____)	

This matter comes before me pursuant to the recommendation of the Division of Financial Services of this Department. The 2002 Annual Statement of Reciprocal of America, which is domiciled within the State of Virginia, shows surplus as regards policyholders in the amount of <\$209,593,228,> a decrease of \$247,172,031 from December 31, 2001. Based on this information, I have determined that Reciprocal of America is in an unsound condition.

S.C. Code Ann. Section 38-5-120(A) (1976, as amended) requires "(t)he director or his designee of the State of South Carolina Department of Insurance shall revoke or suspend certificates of authority granted to an insurer and its officers and agents if he is of the opinion upon examination or other evidence that "(t)he insurer is in an unsound condition" or "(t)he insurer's condition renders its proceedings hazardous to the public or to its policyholders." S.C. Code Ann. Section 38-5-120(B) (1976, as amended) goes on to require that "(n)o new business may then be done by the insurer or its agents in this State while the default or disability continues nor until its authority to transact business is restored by the director or his designee."

It is, therefore, ordered that the Certificate of Authority of Reciprocal of America to transact insurance business within the State of South Carolina should be, and is hereby, suspended. No new business may be transacted by Reciprocal of America within this State unless, and until, the Certificate of Authority of Reciprocal of America is restored. A copy of this Order of Suspension must be transmitted by the Department of Insurance to the National Association of Insurance Commissioners for its distribution to its member states, and it must be published in newspapers of general, Statewide circulation. Further, all licensed State of South Carolina resident and non-resident insurance agents of Reciprocal of America must be given notice by the Department of Insurance, by regular mail, of this Order, and no new licenses or appointments may be issued by the Department to agents of Reciprocal of America.

This order becomes effective upon the date of my signature below.



Ernst N. Csiszar
Director

June 20, 2003 at
Columbia, South Carolina.